

CONTINGENCY **FOR SALE AND/OR CLOSING OF BUYER'S PROPERTY**

Addendum to Real Estate Purchase Contract

(For the Exclusive Use of Realtor® Members of the Central Illinois Board of Realtors®)

This Addendum is attached to and made part of the Real Estate Purchase Contract for the property at

Property: _____

Buyer: _____

Seller: _____

BUYER'S PROPERTY. This contract is contingent upon the sale and/or closing of the Buyer's property located at:

_____ ("Buyer's Property")

with terms as selected below.

Select the applicable paragraph (#1 or #2). The terms associated to the selected paragraph will be incorporated into this addendum.

☐ **1. BUYER'S PROPERTY IS CURRENTLY UNDER CONTRACT.** This contract is contingent upon settlement (closing) of Buyer's Property presently under contract. If the contract for the sale of Buyer's Property is cancelled or it becomes apparent the purchaser of Buyer's Property will not close in time to permit Buyer to comply with the terms of this Real Estate Purchase Contract, under either circumstance at no fault of Buyer, Buyer agrees to notify Seller in writing within 48 hours thereof and this Real Estate Purchase Contract may be terminated by either party unless otherwise agreed to in writing. If terminated, the earnest money shall be refunded as set forth in paragraph 10 of the Real Estate Purchase Contract.

☐ **2. BUYER'S PROPERTY IS NOT CURRENTLY UNDER CONTRACT.** This contract is contingent upon Buyer's Property being under a bona fide contract for sale on or before _____. If the Buyer's Property is not under a bona fide contract for sale by the date herein, either party may terminate this Real Estate Purchase Contract with written notice to the other party and earnest money shall be refunded as set forth in paragraph 10 of the Real Estate Purchase Contract. Until Seller's receipt of waiver of this contingency for the sale of Buyer's Property, as described in Paragraph 2.F. (Methods for Waiving Contingency) of this Addendum, Seller's Property shall remain on the market for sale (Active status in the MLS). The following representation and terms apply:

A. **Buyer Representation:** Buyer represents that (select one box below):

☐ Buyer's Property is currently listed for sale in a Multiple Listing Service (MLS) **OR**

☐ Buyer's Property will be listed for sale and placed in a Multiple Listing Service (MLS) within _____ business days* of acceptance of Buyer's offer and will remain for sale during the contingency period. If Buyer's Property is not listed in MLS within specified timeframe, Seller may terminate this Real Estate Purchase Contract with written notice and earnest money shall be refunded as set forth in paragraph 10 of the Real Estate Purchase Contract.

B. **Seller receives another acceptable Real Estate Purchase Contract prior to waiver of this contingency:** At any time prior to Seller's receipt of waiver of this contingency for the sale of Buyer's Property as, described in Paragraph 2.F. (Methods for Waiving Contingency) of this Addendum, Seller may accept another bona fide offer to purchase the Property (secondary offer), subject to the termination of this Real Estate Purchase Contract. In such event, Seller shall give Buyer notice in writing (the "Kick-Out Notice" form # CIBR 205). Upon receipt of Seller's Kick-Out Notice, Buyer shall have _____ hours ("Kick-Out Notice Period") to waive this contingency in writing (the Kick-Out Notice Response) in the manner provided herein. **UNLESS THIS CONTINGENCY IS WAIVED, IN ACCORDANCE WITH PARAGRAPH 2.F. (METHODS FOR WAIVING CONTINGENCY) OF THIS ADDENDUM, WITHIN THE KICK-OUT NOTICE PERIOD, THIS REAL ESTATE PURCHASE CONTRACT SHALL BE TERMINATED AND EAREST MONEY SHALL BE DISTRIBUTED AS SET FORTH IN PARAGRAPH 10 OF THE REAL ESTATE PURCHASE CONTRACT.**

C. **Buyer's Property is under bona fide contract prior to receipt of Kick-Out Notice:** At any time before delivery of a Kick-Out Notice from Seller, if Buyer's Property is under a bona fide contract, Buyer may waive this contingency for the sale of Buyer's Property by notifying Seller in writing of Buyer's intent. In such event, Seller's Kick-Out rights shall terminate and this contract shall be contingent upon the closing of Buyer's Property and subject to all provisions of paragraph 1 of this addendum.

D. **Inspections:** (select one box below):

- ☐ The inspection time frames begin immediately upon execution of this Real Estate Purchase Contract.
- ☐ The inspection time frames provided in this Real Estate Purchase Contract and attached addendums, shall begin when Buyer contracts to sell Buyer's Property, or when Buyer waives this contingency, whichever occurs first.

E. **Additional Earnest Money:** Buyer shall deliver an additional earnest money in the amount of \$_____ to the escrow agent within three (3) business days* after waiver of this contingency, or when Buyer contracts to sell Buyer's Property.

F. **Methods for Waiving Contingency:** In order to waive this contingency, the Buyer must provide written notice to Seller of Buyer's intent and must comply with one of the following.

- a) If Buyer's Property is under contract, Buyer must **provide Seller with a copy of a bona fide contract for the sale of Buyer's Property** to include all support documents necessary for Seller to verify such sale is a firm sale with a closing scheduled on or before the Closing Date of this Real Estate Purchase Contract and with all contingencies waived or satisfied (including, but not limited to inspections and appraisal). If the contract for the sale of Buyer's Property is terminated at no fault of Buyer, Buyer agrees to notify Seller in writing within 48 hours thereof and this Real Estate Purchase Contract may be terminated by either party unless otherwise agreed in writing.
OR,
- b) If Buyer's Property is not under contract, Buyer must **provide Seller with evidence of Buyer's ability to close** in the form of one of the following:
- i. **Financed Transaction:** Written verification from Buyer's lender that Buyer has been conditionally qualified to purchase the property in addition to Buyer's Property.
- ii. **Cash Transaction:** Written verification from Buyer's bank illustrating sufficient funds are available to purchase the property without financing and without the closing of Buyer's Property.

Caution to Buyer: Buyer does not have the right to examine or be advised of the terms of any secondary offer. Also, when providing Seller a copy of a bona fide contract for the sale of Buyer's Property, Buyer is advised to redact any language which may violate privacy.

Caution to Seller: If Seller receives a secondary offer from another buyer, the secondary offer must be made to be contingent on the primary Real Estate Purchase Contract expiring or being terminated. A "Back-Up Contract" Addendum (form # CIBR 230) is recommended when negotiating a secondary offer.

***Business days shall be every day excluding Saturdays, Sundays and federal holidays.**

So agreed and executed:

| | | | |
|--------------------------|---------------|---------------------------|---------------|
| _____ Buyer Signature | _____ Date | _____ Seller Signature | _____ Date |
| _____ Buyer Signature | _____ Date | _____ Seller Signature | _____ Date |